



Oldham  
Council

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## Report to CABINET

# Levelling Up Fund Grant Acceptance – Part A

### Portfolio Holder:

Councillor Amanda Chadderton

Leader of Oldham Council and Portfolio Holder for Regeneration and Housing

Councillor Abdul Jabbar

Deputy Leader and Portfolio Holder for Finance and Low Carbon

### Senior Responsible Officer:

Emma Barton, Executive Director for Place & Economic Growth

**Officer Contact:** Paul Clifford, Director of Economy

**Report Author:** Jon Bloor, Assistant Director for Economic Growth

**20 March 2023**

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## Reason for Decision

Cabinet Members are asked to approve and accept the £20m Levelling Up Round 2 (LUF2) capital grant allocation following confirmation of award from the Department for Levelling Up, Housing and Communities (DLUHC) in January 2023. Three projects were selected by DLUHC for progression and financial support from LUF2 broken down as follows: -

- £4.790m for Jubilee Park and Greenway Corridor,
- £6.400m for Northern Roots Learning Centre
- £8.810m for Green Shoots Business Centre

## Recommendations

Cabinet is asked to:

- i) Approve the acceptance of the £20m LUF2 grant over financial years 2022/23 – 2024/25 against the three projects approved for funding by DLUHC broken down as follows:
  - Jubilee Park and Greenway Corridor – allocation **£4.790m** - a sustainable network through the town centre creating a modal shift towards active travel
  - Northern Roots Learning Centre – allocation **£6.400m** - 813sqm of educational space to be used to strengthen environmental skills through vocational courses
  - Green Shoots Business Centre – allocation **£8.810m** - a new business incubation centre for environment technology start-ups, 2285sqm of incubation space for local green business development and enterprise

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- ii) Delegate authority to the Director of Economy to progress the Northern Roots Learning Centre and the Green Shoots Business Centre projects and to meet revenue costs including design, business case development and any such expenditure as is necessary to deliver the grant funding conditions of the award.
  - iii) Delegate authority to the Executive Director for Place and Economic Growth, in consultation with the Director of Legal Services, to agree terms of the grant funding agreement issued by DLHUC in respect of the grant award and to approve the procurement and appointment of contractors and service providers to supply any works, supplies or services needed to deliver the three projects within the agreed budgets
  - iv) Delegate authority to Director of Legal Services or their nominated representative to finalise and enter into any grant funding agreement that is issued by DLUHC and approved by the Executive Director for Place and Economic Growth in respect of the grant award, to complete any necessary due diligence on subsidy control compliance, to agree and complete any project change requests under the grant agreement and to finalise and enter into any contracts for the supply of any works, supplies or services needed to deliver the three projects within the agreed budgets.
  - v) Delegate authority to the Director of Economy or their nominated representative to agree monitoring and evaluation of defined outputs and negotiations thereupon as required over the grant delivery period of 2022/23 – 2024/2025.
  - vi) Note and endorse that the internal governance and administration for the £20m LUF grant will be performed via the Creating a Better Place Programme Board (CAPB) structures alongside a dedicated Monitoring Group for which Terms of Reference will be agreed by the Director of Economy or their nominated representative.

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## 1.0 Background

1.1 Members will recall that the Levelling Up Fund Round 2 (LUF2) prospectus was introduced in March 2022 with a focus on the following three investment themes:

- local transport projects that make a genuine difference to local areas
- town centre and high street regeneration; and
- support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets.

1.2 LUF2 is a competitive process between local authorities and funding award decisions made by Central Government, specifically the Department for Levelling Up, Housing and Communities (DLUHC). In August 2022, Oldham submitted 2 bids into LUF2; the Green Technology and Innovation Network and the Creative Improvement District.

1.3 Within Round 2, more than 100 projects totaling £2.1 billion have been supported to boost economies, regenerate communities, and enhance transportation links across the UK. Oldham was successful in its application for £20m for the Green Technology and Innovation Network. The bid for Creative Improvement District was unfortunately unsuccessful in this round; however there remain further opportunities within the LUF programme to develop and resubmit in the future.

## 2.0 Current Position

2.1 Oldham was one of 111 areas awarded funding to support the three projects within the town centre included in the Green Technology and Innovation Network bid, which aim to enhance active travel networks, deliver vital education infrastructure and create transformational public open space. The successful bid is summarised below.

2.2 **Green Innovation and Technology Network** (Oldham East and Saddleworth Parliamentary Constituency)

The bid seeks to maximise inclusive economic growth and net zero carbon opportunities in Oldham by positioning the borough as a sustainable low carbon destination for green businesses, residents, and visitors. The package bid comprises three key interventions to build back greener:

- Jubilee Park and Greenway Corridor
- Northern Roots Learning Centre
- The Green Shoots Business Incubation Centre

2.3 Table 1.1 below summarises the projects' forecast capital costs and match funding requirements of the Green Innovation and Technology Network project.

<b>Table 1.1 Project Funding Profiles</b>	<b>Total Project Costs (000)</b>	<b>LUF Award (000)</b>	<b>Match Funding (000)</b>
Green Shoots Centre	£8,810	£8,810	
Greenway and Jubilee Park	£8,680	£4,790	GD3/MCF
Northern Roots	£6,400	£6,400	
<b>Totals</b>	<b>£23,890</b>	<b>£20,000</b>	<b>£3,890</b>

2.3 Economic Outputs defined in the application are as follows: -

- **2285sqm** of Incubation Space for Green Businesses
- **813sqm** of educational space in the NR Learning Centre
- **372 Tonnes** carbon sequestration (benefit value totaling £20,202)
- **£227k** Land Value Uplift
- **£53.8m** Wider Land Value Uplift
- **£2.9m** Health Benefits for participants in walking and cycling
- **£167,034k** Health Benefits from reduced pollution
- **£23.9m** Wellbeing benefits to visitors
- Total Quantified Benefits **£80.9m**
- Benefits Cost Ratio **3.73**

2.4 Non-Monetised Benefits of the projects include: -

- Improved perception of Oldham as a place to live, work and visit
- Becoming a flagship example of green regeneration
- Encouraging children and young people to engage with nature
- Local opportunities for volunteering, training and apprenticeships
- Enhanced opportunities for physical activity and access to nature
- Additional Business and Education Floorspace

#### **Internal Governance and Assurance**

2.5 The Creating a Better Place Operations Board and Programme Board will provide oversight and strategic management of these projects. This board is already established and working successfully to deliver the Manchester Mayor’s Cycling and Walking Challenge Fund. The Programme Board meet monthly to discuss Oldham’s wider public realm and active travel projects and are ideally placed to include the LUF projects within their remit.

2.6 A Monitoring Group is being established to oversee financial obligations against performance and will report into the CAPB structures. Wider governance within the Council is in place to ensure issues can be managed with an appropriate level of authority which will ensure the delivery of the project objectives to cost, quality and time.

#### **Jubilee Park and Greenway Corridor**

2.7 The Jubilee Park and Oldham Greenway is a public realm improvement project supporting the creation of Oldham’s low carbon 20-minute neighbourhood. This will establish Oldham as a sustainable destination, enhancing its green infrastructure network, facilitating a modal shift to active travel and making the Green Shoots Centre and Learning Centre more accessible to the local population.

2.8 Jubilee Park will provide a new green heart to Oldham with the Greenway creating green ‘branches’ of active travel routes across the town centre. This green infrastructure network will address poor air quality, pollution and connectivity in the borough which are major drivers of local inequalities.

2.9 Milestones

<b>Greenway Corridor Milestones</b>		
Pre-commencement mobilisation, prelim and detailed design	Mar 2023	Mar 2024

Construction	Apr 2024	Mar 2025
<b>Jubilee Park Milestones</b>		
Prepare Design, Site Investigations and Submit Planning Application	Mar 2023	Dec 2023
Pre-Commencement Organisation and Discharge Planning Conditions	Dec 2023	Feb 2024
Construction	Mar 2024	Mar 2025
Greenway and Jubilee Park Open/Complete	March 2025	

### Northern Roots Learning Centre

2.10 The Learning Centre within Northern Roots will be an educational facility, creating 813sqm of educational floorspace, to help strengthen green skills via provision of vocational courses. The facility and the wider Northern Roots project will provide up to 150 volunteering opportunities and 28 traineeships and apprenticeships each year, creating opportunities for young people to learn and create local careers in sectors ranging from horticulture and arboriculture to construction, green technologies, visitor services and marketing. Investment in enhancing green skills will provide a pathway for local workers, providing job opportunities for people in the green economy.

#### 2.11 Milestones

Northern Roots Learning Centre Milestones	Start Date	End Date
Procurement for Design and Build Contractor	Feb 2023	May 2023
Site Feasibility Works inc. Ground Investigations	May 2023	Dec 2023
Pre-Construction Services Agreement (PCSA); Pre-Commencement Conditions and Discharge Planning Conditions	May 2023	Dec 2023
Construction	March 2024	March 2025
Centre Opens	April 2025	

### Green Shoots Business and Incubation Centre

2.12 The Green Shoots Centre will position Oldham as a location for green technology focused businesses by providing affordable incubator space for start-up businesses to cluster. Realising this opportunity would help to alleviate the deeply embedded patterns of deprivation and disinvestment within Oldham by becoming an innovation hub; supporting economic recovery through attracting private investment and creating local jobs. The centre will provide 2285sqm of incubator space for local green businesses, addressing the current lack of workspace facilities in Oldham. The centre will cater to a range of business sizes, varying from spaces totally 6sqm to 110sqm.

#### 2.13 Milestones

Green Shoots Centre Milestones	Start Date	End Date
Prepare and Submit Planning Application	Feb 2023	May 2023
Procurement for Design and Build Contractor	Feb 2023	July 2023
Pre-Commencement Conditions and Discharge Planning Conditions	July 2023	Sept 2023
Construction	Sept 2023	Aug 2024
Centre Opens	Aug 2024	

## Delivery

- 2.14 Delivery for the projects will require the appointment of experienced external contractors and service providers, including project managers/employers' agents; cost consultants; design consultants and other specialist consultants as required, along with main contractors. All the aforementioned will hold the relevant insurances and will be required to indemnify the Council in event of any adverse impact resulting from their involvement.
- 2.15 The appointment of project professionals will be closely managed through enforceable contracts. External legal and other appropriate professional advice will be in place to supplement in-house advice and to support the delivery of the projects, which will be developed to support the Council's vision and to assist in the discharge of its fiduciary duties.

## 3.0 Options/Alternatives

3.1 Option 1: **Do Nothing** This option means relinquishing the opportunity to bring investment of £20m into Oldham. Not only would this be a significant loss of valuable resources but also an extremely negative reflection of Oldham and its ambitions. As one of only three GM authorities to be successful in its application to LUF2, Oldham's standing within GM would suffer significant political and reputational damage in this scenario.

3.2.1 Option 2:

- Formally accept the LUF2 Grant Award of £20m in respect of the Green Innovation and Technology Network and agree and enter into a grant agreement with DLUFC
- Approve the expenditure of the LUF2 Grant Award in accordance with this report

## 4.0 Preferred Option

4.1 Option 2

## 5.0 Consultation

5.1 The projects that are proposed in this report take account of public consultation findings. MPs, Members, Town Deal Board and Economic Board have been consulted on the emerging priorities and trends from the various activities. A workshop was held with the Extended Leadership team to ensure every opportunity was explored linked to key priorities determined from the community consultation, stakeholder feedback.

5.2 Significant community consultation, awareness and insight has been gleaned to help shape and inform potential opportunities for Levelling Up linked to previous bidding applications for Future High Street Fund and Towns Deal. This has included key stakeholders,

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businesses, visitors, members and local communities in various different forums, methods and opportunities.

5.3 The importance of Oldham's economic purpose and embracing opportunities for supporting our local community, together with delivering ambition for innovation and enterprise were debated and referenced within the findings of the recent Economic Review: where local, regional and national experts reviewed the evidence for supporting and enhancing Oldham's economic future.

5.4 The Oldham Big Town Centre Conversation engaged thousands of local residents, businesses and visitors to town and district centres. This allowed various projects and community discussions at Meet the Leader events around the borough.

## **6.0 Financial Implications**

6.1 Details contained within Part B report

## **7.0 Legal Services Comments**

7.1 Details contained within Part B report

## **8.0 Co-operative Agenda**

8.1 The delivery projects in Oldham town centre through the (submission) of Levelling Up Fund will support the Co-operative Agenda by achieving outcomes that contribute to making Oldham a place to invest and do business, and a regenerated town which grows the business base.

8.2 This investment will facilitate the creation of employment and training opportunities which will have a positive effect on the local and sub-regional economy. Employment, skills and training opportunities will be created as a direct result of this investment and associated individual and collective self-esteem will be improved via the workplace as a consequence.

8.3 The resulting development will be designed to a high quality and the enhanced built environment will have a positive effect not only on local residents, businesses but also on all arriving in the town centre through Metrolink on Union Street. The development of the Cultural Quarter will bring new life to the area which will be in keeping with the Council's policy objective of Creating a Better Place Strategic Framework.  
(Nawaz Khan, Regeneration and Development)

## **9.0 Human Resources Comments**

9.1 N/A

## **10.0 Risk Assessments**

10.1 Details contained within Part B report

## **11.0 IT Implications**

11.1 N/A

## **12.0 Property Implications**

12.1 Details contained within Part B report

## **13.0 Procurement Implications**

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- 13.1 Details contained within Part B report
  - 14.0 Environmental and Health & Safety Implications**
  - 14.1 N/A
  - 15.0 Equality, community cohesion and crime implications**
  - 15.1 N/A
  - 16.0 Equality Impact Assessment Completed?**
  - 16.1 Yes
  - 17.0 Key Decision**
  - 17.1 Yes
  - 18.0 Key Decision Reference**
  - 18.1 ESR-05-23
  - 19.0 Background Papers**
  - 19.1 Delegated Cabinet Member Decision 29 July 22
  - 20.0 Appendices**
  - 20.1 Appendix 1 - EIA